



CASE STUDY

How One Employer Leveraged an Employer-Sponsored Medical Home to Drive Dramatic Improvements in Employee Health and Healthcare Costs

CHALLENGE

A self-insured employer with a large billing office in Washington was experiencing annual healthcare cost increases of 7-8%. This employer had previously implemented a wellness program and a consumer-driven health plan with an HSA feature, but it was unclear whether these programs had delivered the promised savings or health improvements. Costs continued to rise and employees' overall health was declining, with continued high prevalence of obesity and hypertension. Moreover, employee productivity and quality-of-life were suffering. Having already implemented the most popular tactics, the employer was looking for a new strategy that would have a more tangible and long-lasting impact.

THE SOLUTION

Employer implemented a Paladina Health near-site clinic that was located 2 blocks from the corporate office and offered no-cost memberships to all employees and dependents enrolled in their group health plan. Approximately 600 members initially enrolled (50% of eligible) and the members who enrolled were older with a higher incidence of chronic disease than those who did not enroll. Members used the Paladina Health medical home for their primary, preventive, wellness and basic urgent care needs and for help in finding the most appropriate outside care.

RESULTS

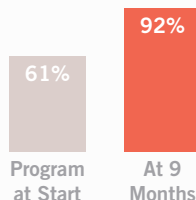
- ∴ Healthcare costs decreased by 10% for members enrolled in Paladina Health vs. a 28% increase for non-members
 - > 34% decline in inpatient costs
 - > 33% decline in outpatient/ER costs
 - > 16% decline in specialist costs
- ∴ Major health improvements among members with chronic disease
- ∴ Extremely high satisfaction with the service experience
- ∴ High risk patients very engaged, with physician encounters nearly once per month
- ∴ Adoption grew by over 30% during the first year as employees learned more about the value proposition from their colleagues

RESULTS: HEALTH AND SERVICE EXPERIENCE

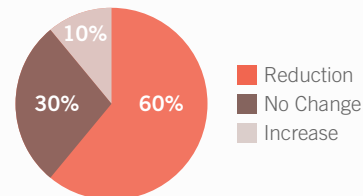
MEDICAL HOME IMPROVED CHRONIC DISEASE CONDITIONS FOR MEMBERS

CHRONIC DISEASE IMPACT

Hypertension Control
% OF HYPERTENSIVES WITH BLOOD PRESSURE AT GOAL (<140/90)

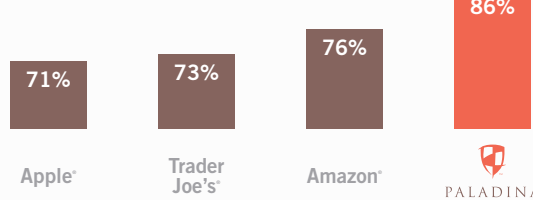


Diabetic Control
% OF DIABETICS BY CHANGE IN A1C LEVELS (AT 9 MONTHS)



HIGH SERVICE LEVELS DRIVE PATIENT ENGAGEMENT

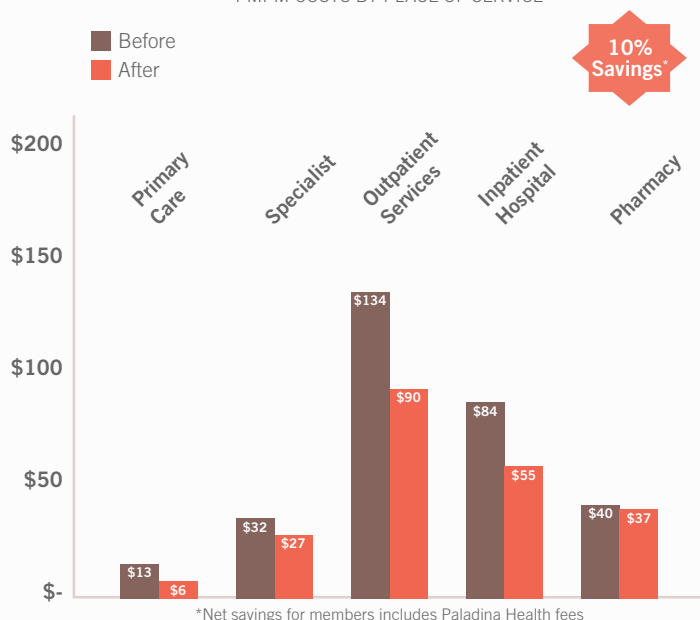
PATIENT SATISFACTION (NET PROMOTER SCORE)



RESULTS: COST SAVINGS

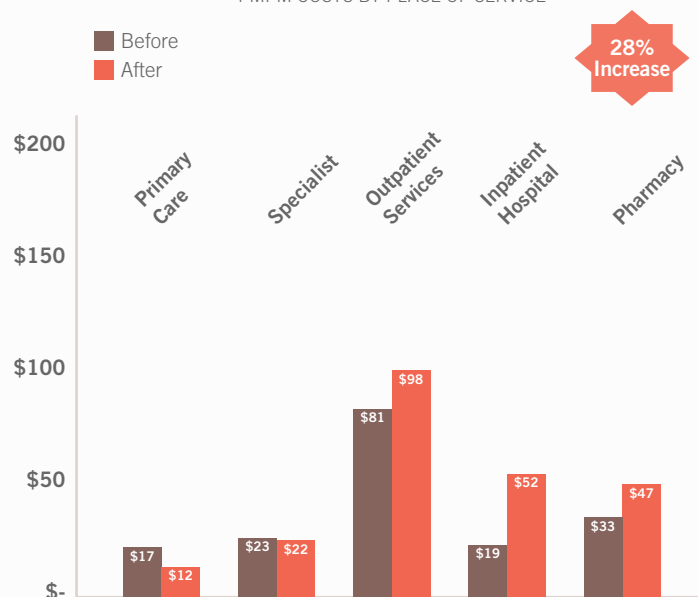
PALADINA HEALTH MEMBERS

PMPM COSTS BY PLACE OF SERVICE



PALADINA HEALTH NON-MEMBERS (CONTROL GROUP)

PMPM COSTS BY PLACE OF SERVICE



Before = February 2011 - October 2011; After = February 2012 - October 2012

Healthcare costs for **members**
decreased by 10% vs.
 a **28% increase** for non-members



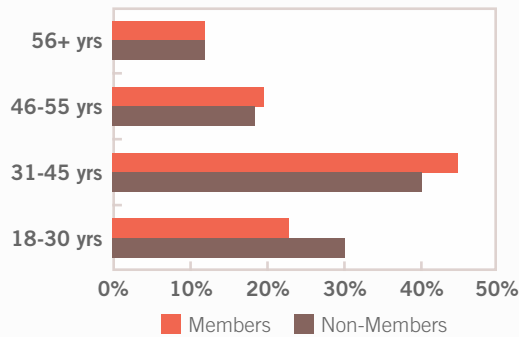
DE-IDENTIFIED PATIENT CASES

SITUATION		IMPACT
PATIENT A Had Chronic High Blood Pressure and Diabetes	- Work environment prohibited frequent visits to the doctor - Had an initial visit with Paladina Health doctor and developed a care plan - Most visits now are via phone to review labs and discuss medicine levels	- Many ER visits were averted due to phone conversations that monitored medications - High blood pressure and diabetes are under control - Blood Pressure lowered by 16% in 9 months
PATIENT B Needed Urgent Care After-Hours	- Patient called Paladina Health physician after-hours with hurt shoulder - Physician discussed injury and prescribed pain medications over the phone and set up an appointment for next morning - Injury turned out to be a sprained shoulder	- Costly ER visit averted - Patient gained peace-of-mind that injury wasn't more serious and was made more comfortable immediately
PATIENT C Wasn't Receiving Needed Diabetes Care	- Patient with diabetes was not managing his condition with endocrinologist due to costs and difficulty getting appointments - Patients began seeing a Paladina Health physician and came in for monthly visits - Appointment scheduling was much easier and relationship with Paladina Health physician was much stronger	- Patient lost 17 pounds - Patient lowered insulin levels they need to manage disease - A1C levels lowered by 6% - Patient less likely to develop more serious chronic illness in the future

RESULTS: ENGAGEMENT

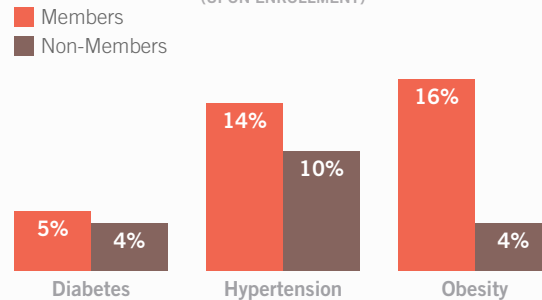
MEDICAL HOME ATTRACTED OLDER AND LESS HEALTHY PATIENTS

AGE DISTRIBUTION



PREVALENCE OF CHRONIC DISEASE

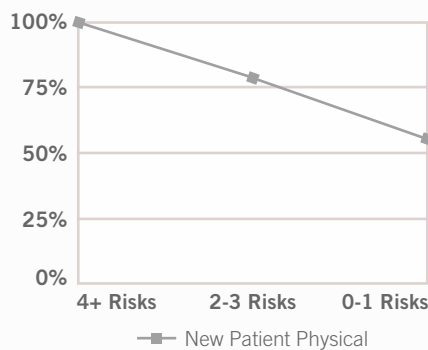
(UPON ENROLLMENT)



MEDICAL HOME INTENSELY ENGAGED HIGH-RISK MEMBERS

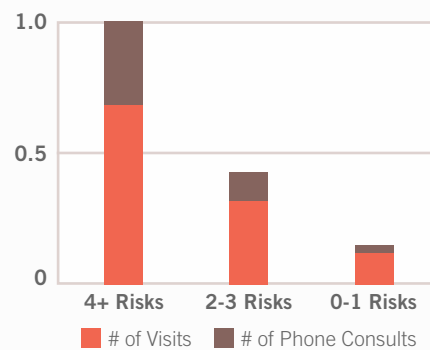
PHYSICALS COMPLETE, BY NO. OF RISK CONDITIONS

PERCENT OF MEMBERS



ENCOUNTERS, BY NO. OF RISK CONDITIONS

NUMBER OF ENCOUNTERS PER MONTH



TESTIMONIALS



PATIENT

"My doctor and everyone at Paladina Health has been an integral part of improving my health – whether it be asking a question after hours about adjusting my insulin dosage, or coming in the office once a week to track my blood sugars. Not only has it helped my overall physical health by lowering my insulin levels and the quantity of insulin I need, but I sincerely appreciate everyone's kindness and willingness to work with me on a healthier lifestyle."

—Paladina Health Member



PHYSICIAN

"I joined Paladina because I think our model of care has the potential to transform medical care. It is better for patients—personalized, timely care with a focus on prevention. It is better for companies—healthier workers, fewer hospitalizations and ER visits, lower costs. And it is better for doctors—an opportunity to get back to the kind of relationships that drew me into family medicine in the first place, a chance to use the skills I have in a way that truly impacts people's lives."

—Paladina Health Physician



EMPLOYER

"We have found Paladina Health to be a great benefit for our employees and are thrilled at the level of satisfaction and improved health it has brought them. Moreover, the cost savings that we have experienced in such a short time has confirmed that our decision to partner with Paladina Health was the right one for our company."

—Vice President of Benefits, Sponsoring Employer